

CLAIMS

What is claimed is:

1. A computer-implemented method for minimizing the worldwide tax costs of a
5 multinational group of companies, the method comprising:
determining taxable income and calculating taxes for each business entity within a
multinational group of companies;
identifying intercompany transactions within the group that have the effect of
reducing the tax costs in the countries in which receiving and paying companies are
10 located;
calculating a tax cost of the transaction;
routing the transaction among different group entities to reduce the tax cost; and
calculating a worldwide tax cost as a result of implementing the identified
intercompany transactions.
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2. The method of claim 1 further comprising the method of suggesting one or more
strategies to reduce the tax cost.
3. The method of claim 2 wherein the one or more suggested strategies includes one
20 of obtaining a special tax rate by taking advantage of a local country tax holiday,
establishing a special purpose entity, and avoiding a taxable presence.

4. The method of claim 2 wherein the one or more suggested strategies includes maximizing tax deductions by maximizing the intercompany price charged.

5. The method of claim 2 wherein the one or more suggested strategies includes
5 maximizing interest deductions by infusing the maximum allowable intercompany debt.

6. The method of claim 2 wherein the one or more suggested strategies includes routing the intercompany transaction through several transfer countries to minimize withholding and mainstream taxes.

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7. The method of claim 2 wherein one or more suggested strategies includes deferring tax payments in the receiving country by routing the income to holding company.

15 8. The method of claim 1 wherein one or more suggested strategies includes maximizing the foreign tax credits that can be claimed in the receiving country.

9. The method of claim 2 further comprising the steps of:
receiving user input regarding a selected strategy of the one or more suggested
20 strategies; and

verifying the selected strategy in relation to laws of the country in which the paying company is located and the country in which the receiving company is located.

10. The method of claim 1 further comprising the step of automatically preparing and causing the filing of any applicable tax return documents for the company in the country in which the company is located.

5 11 A method of determining tax costs associated with an international transaction comprising the steps of:

receiving a user specified payment stream from the paying company located in a source country and a receiving company located in a receiving country;

retrieving tax data for the paying company and the receiving company;

10 providing one or more suggested transactions between the paying company and the receiving company for the routing of goods or services between the paying company and the receiving company;

calculating the cost of the transaction; and

calculating the impact on worldwide taxes as a result of implementing the

15 recommended transactions.

12. The method of claim 11 wherein the tax data comprises all tax rates needed to determine the after tax cash in the receiving country including mainstream and withholding tax rates for the source country and the receiving country.

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13. The method of claim 11 wherein the tax data comprises country-specific tax rates and tax laws.

14. The method of claim 11 wherein the tax data is stored in one or more databases accessible to a server computer executing an international tax planning process operated by the user associated with the paying or receiving company.

5 15. The method of claim 11 wherein a suggested transaction of the one or more suggested transaction comprises selecting a life-cycle of the transaction among a plurality of possible transaction life-cycles.

16. The method of claim 15 wherein the plurality of possible transaction life-cycles
10 includes export, presence, acquisition, repatriation, and disposition.

17. The method of claim 11 further comprising the step of specifying the payment stream from the source country to the receiving country.

15 18. The method of claim 17 wherein the payment stream is selected from the group consisting essentially of: interest, dividend, royalty, and sales.

19. The method of claim 17 wherein in a suggested transaction of the one or more suggested transaction comprises routing the transaction through one or more intermediary
20 countries between the source country and the receiving country and where a specified payment stream for any paying country is different from the payment stream to any receiving country.

20. The method of claim 11 further comprising the steps of:

receiving user input regarding a selected strategy of the one or more suggested strategies;

5 verifying the selected strategy in relation to laws of the source country and the receiving country;

determining the tax cost based on the selected strategy;

obtaining confirmation from an international tax advisor that the strategy should be implemented; and

10 automatically preparing and causing the filing of all necessary documentations to implement the chosen strategy.

21. A system for determining tax costs associated with an international transaction comprising:

15 a tax data mining unit configured to retrieve tax data for a sending company located in a source country and a receiving company located in a receiving country;

a transaction analyzer unit configured to provide one or more suggested transactions between the sending company and the receiving company for the routing of goods or services between the sending company and the receiving company;

20 a first user interface process configured to receive a transaction selection from a user;

a tax calculator configured to determine the amount of the transaction and calculate tax costs associated with the transaction selected by the user; and

a second user interface process configured to provide to the user suggested ideas to minimize the tax costs associated with the transaction.

22. The system of claim 21 wherein the tax data comprises all tax rates needed to
5 calculate the after tax cash on a payment from a source country to a receiving country including mainstream and withholding tax rates.

23. The system of claim 21 wherein the tax data comprises country-specific tax rates and tax laws, and the system further comprises a database storing the tax data and
10 accessible to a server computer executing an international tax planning process operated by the user associated with a multinational group of companies.

24. The system of claim 21 wherein a suggested transaction of the one or more suggested transaction comprises selecting a life-cycle of the transaction among a plurality
15 of possible transaction life-cycles, the plurality of possible transaction life-cycles including export, presence, acquisition, repatriation, and disposition of a good or service.

25. The system of claim 21 further comprising the step of specifying the payment stream from the source country to the receiving country.
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26. The system of claim 25 wherein the payment stream is selected from the group consisting essentially of: interest, dividend, royalty, and sales.

27. The system of claim 21 further comprising:

a third user interface process configured to receive user input regarding a selected strategy of the one or more suggested strategies;

a validation unit configured to verify the selected strategy in relation to laws of
5 the source country and the receiving country;

a tax calculation unit configured to determine the amount of the transaction and the impact on worldwide taxes as a result of implementing the suggested transaction;

an output user interface process configured to obtain confirmation from an international tax advisor that the selected strategy should be implemented; and

10 automatically preparing and causing the filing of all necessary documents to implement the chosen strategy.